

WHAT IS CLAIMED IS:

- 1 1. A method of valuing an intangible asset, comprising the steps of:
 - 2 calculating a monetary value of a tangible asset associated with said intangible asset;
 - 3 determining a competitive advantage of said tangible asset over competing tangible assets
 - 4 as a percentage thereof; and
 - 5 calculating a value for said intangible asset based upon a relative contribution of said
 - 6 intangible asset to said competitive advantage of said tangible asset.
- 1 2. The method of claim 1, wherein the step of calculating a monetary value of a tangible asset
2 associated with said intangible asset comprises the steps of:
 - 3 determining a total annual gross sales in a market for said tangible asset;
 - 4 determining an annual percent growth of said market;
 - 5 determining a life cycle in years of said tangible asset;
 - 6 determining a profit margin of said tangible asset as a percent of gross sales;
 - 7 determining a present value discount factor; and
 - 8 summing a multiple of said total annual gross sales, said annual percent growth, said
 - 9 profit margin, and said present value discount factor over each year of said life cycle of said
 - 10 tangible asset.

- 1 3. The method of claim 1, wherein the step of determining a competitive advantage of said
2 tangible asset over competing assets as a percentage thereof comprises the steps of:
3 identifying at least one parameter associated with said tangible asset relevant to
4 commercial success in the marketplace; and
5 comparing said parameter with at least one parameter of at least one competing tangible
6 asset to determine said competitive advantage of said tangible asset as a percent variation.

- 1 4. The method of claim 1, wherein the step of calculating a value for said intangible asset based
2 upon a relative contribution of said intangible asset to said competitive advantage of said tangible
3 asset comprises the steps of:
4 identifying a parameter dependent on said intangible asset and associated with said
5 tangible asset that is relevant to commercial success in the marketplace;
6 calculating said relative contribution of said intangible asset to said competitive
7 advantage of said tangible asset based on a contribution of said parameter to said competitive
8 advantage of said tangible asset as compared to related intangible assets; and
9 multiplying said relative contribution of said intangible asset with said value of said
10 tangible asset.

5. A method of valuing a pre-market product, comprising the steps of:
 - determining a present monetary value of an intended market for said pre-market product;
 - calculating a competitive advantage of said pre-market product in said intended market as a percent variation;
 - predicting a market share of said pre-market product based on said competitive advantage; and
 - calculating a monetary value for said pre-market product by multiplying said predicted market share and said present monetary value of said intended market.

6. The method of claim 5, wherein the step of determining a present monetary value of an intended market for said pre-market product comprises the steps of:

determining a total annual gross sales of said intended market for said pre-market product;

determining an annual growth of said intended market as a percent;

determining a life cycle of said pre-market product in years;

determining a profit margin of said tangible asset as a percent of gross sales;

determining a present value discount factor; and

summing a multiple of said total annual gross sales, said annual growth, said profit

margin, and said present value discount factor over each year of said life cycle of said tangible asset.

1 7. The method of claim 5, wherein the step of calculating a competitive advantage of said pre-
2 market product in said market as a percent variation comprises the steps of:

3 comparing a plurality of parameters of said pre-market product to a plurality of
4 corresponding parameters of competing products in said intended market to determine a
5 competitive advantage for each said parameter of said pre-market product as a percent variation;
6 and

7 weighing and averaging said competitive advantages of the parameters to determine said
8 competitive advantage of said pre-market product in said market.

1 8. The method of claim 5, wherein the step of predicting a market share of said pre-market
2 product based on said competitive advantage comprises the steps of:

3 determining an average market share of said market; and
4 multiplying said average market share by said competitive advantage.

2 9. A method of determining the monetary value of an intangible property license, comprising
the steps of:

3 determining a monetary value to the licensor and licensee based on a change in monetary
4 value of a tangible asset associated with an intangible asset subject to said license; and
5 calculating said monetary value to said licensor and licensee by comparing said changes
6 in monetary value.

1 10. The method of claim 9, wherein the step of determining a monetary value to the licensor and
2 licensee based on a change in monetary value of a tangible asset associated with an intangible
3 asset subject to said license comprises the steps of:

4 calculating an increase in a competitive advantage of said tangible asset as a percent
5 variation due to said intangible asset subject to said license for said licensee;

6 calculating a decrease in a competitive advantage of said tangible asset as a percent
7 variation due to said intangible asset subject to said license for said licensor;

8 determining a monetary value of said tangible asset by multiplying a monetary value for a
9 market for said tangible asset and an average percent market share in said market;

10 determining a minimum monetary value to said licensor by multiplying said percent
11 decrease by said monetary value of said tangible asset; and

12 determining a maximum monetary value to said licensee by multiplying said percent
13 increase by said monetary value of said tangible asset.

1 11. The method of claim 9, wherein the step of calculating said monetary value to said licensor
2 and licensee by comparing said changes in monetary value comprises the steps of:

3 calculating a net monetary value by subtracting a minimum monetary value to said
4 licensor from a maximum monetary value to said licensee;

5 determining an equal return payment that provides an equal return on investment to the
6 licensor and licensee;

7 calculating said monetary value to the licensor as equal to said equal return payment; and

8 calculating said monetary value to the licensee by subtracting said equal return payment
9 from said net value.

12. A method of determining the monetary value of a new intangible asset, comprising:

2 calculating a change in a competitive advantage of a tangible asset associated with said
3 new intangible asset as a percent variation; and

3 calculating said monetary value by multiplying said change in said competitive advantage
4 of said tangible asset and an average market share in an intended market.

1 13. The method of claim 12, wherein the step of calculating a change in a competitive
2 advantage of a tangible asset associated with said new intangible asset as a percent variation
3 comprises the steps of:

4 identifying at least one parameter associated with said tangible asset relevant to
5 commercial success in the marketplace;

6 comparing said parameter with at least one parameter of at least one competing tangible
7 asset to determine said competitive advantage said tangible asset as a percent variation;

8 calculating a competitive advantage for said tangible asset without said new intangible
9 asset as a percent variation;

10 calculating a competitive advantage for said tangible asset with said new intangible asset
11 as a percent variation; and

12 subtracting said competitive advantage for said tangible asset without said new intangible
13 asset from said competitive advantage for said tangible asset with said new intangible asset.

1 14. The method of claim 12, wherein the step of calculating said monetary value by multiplying
2 said change in said competitive advantage of said tangible asset and an average market share in
3 an intended market comprises the steps of:

4 calculating a present monetary value of said intended market for said tangible asset;

5 calculating said average market share in said intended market as a percent;

6 determining said average product present monetary value by multiplying said present
7 monetary value of said intended market by said average market share;

8 multiplying said average product present monetary value and said change in said
9 competitive advantage.

15. A method of predicting the market share of a tangible asset, comprising the steps of:

2 determining a competitive advantage as a percent variation of said tangible asset in an
3 intended market;

4 determining an average market share as a percent of said market; and

5 multiplying said average market share and said competitive advantage.

1 16. A method of apportioning the value of a tangible asset among the distinct groups of
2 intangible assets, comprising the steps of:

3 calculating a monetary value of said tangible asset;

4 calculating an amount of firm expenditures on research and development, advertising, and
5 business innovation as a percentage of total firm expenditures on said research, said advertising,
6 and said business innovation; and

7 multiplying each said percent of firm expenditures with said monetary value of said
8 tangible asset.

1 17. A method of calculating a license payment that provides a licensee and a licensor an equal
2 return on investment in a license, comprising the steps of:

3 calculating a minimum value of said license to said licensor;

4 calculating a maximum value of said license to a licensee;

5 calculating a net value by subtracting said minimum value from said maximum value;

6 determining said licensor investment in the subject of said license; and

7 calculating said license payment as an amount which when said amount is divided by said
8 licensor investment equals said net value minus said payment divided said payment.

- 1 18. A method of valuing an intangible asset, comprising the steps of:
- 2 associating said intangible asset with a tangible asset;
- 3 determining a total annual gross sales in a market for said tangible asset;
- 4 determining an annual percent growth of the market;
- 5 determining a life cycle in years of said tangible asset;
- 6 determining a profit margin of said tangible asset as a percent of gross sales;
- 7 determining a present value discount factor;
- 8 summing a multiple of said total annual gross sales, said annual percent growth, said
- 9 profit margin, and said present value discount factor over each year of said life cycle of said
- 10 tangible asset;
- 11 identifying at least one parameter associated with said tangible asset relevant to
- 12 commercial success in the marketplace;
- 13 comparing said parameter with at least one parameter of at least one competing tangible
- 14 asset to determine said competitive advantage of said tangible asset as a percent variation;
- 15 identifying a parameter dependent on said intangible asset and associated with said
- 16 tangible asset that is relevant to commercial success in the marketplace;
- 17 calculating said relative contribution of said intangible asset to said competitive
- 18 advantage of said tangible asset based on a contribution of said parameter to said competitive
- 19 advantage of said tangible asset; and
- 20 multiplying said relative contribution of said intangible asset with said value of said
- 21 tangible asset.

- 1 19. A method of valuing a pre-market product, comprising the steps of:
- 2 determining a total annual gross sales of an intended market for said pre-market product;
- 3 determining an annual growth of said intended market as a percent;
- 4 determining a life cycle of said pre-market product in years;
- 5 determining a profit margin of said tangible asset as a percent of gross sales;
- 6 determining a present value discount factor;
- 7 summing a multiple of said total annual gross sales, said annual growth, said profit
- 8 margin, and said present value discount factor over each year of said life cycle of said tangible
- 9 asset;
- 10 comparing a plurality of parameters of said pre-market product to a plurality of
- 11 corresponding parameters of competing products in said intended market to determine a
- 12 competitive advantage for each said parameter of said pre-market product as a percent variation;
- 13 weighing and averaging said competitive advantages of the parameters to determine said
- 14 competitive advantage of said pre-market product in said market;
- 15 determining an average market share of said market;
- 16 multiplying said average market share by said competitive advantage; and
- 17 calculating a monetary value for said pre-market product by multiplying said predicted
- 18 market share and said present monetary value of said intended market.

1 20. A method of determining the monetary value of an intangible property license, comprising
2 the steps of:

- 3 calculating a increase in a competitive advantage of said tangible asset as a percent
4 variation due to said intangible asset subject to said license for said licensee;
- 5 calculating a decrease in a competitive advantage of said tangible asset as a percent
6 variation due to said intangible asset subject to said license for said licensor;
- 7 determining a monetary value of said tangible asset by multiplying a monetary value for a
8 market for said tangible asset and an average percent market share in said market;
- 9 determining a minimum monetary value to said licensor by multiplying said percent
10 decrease by said monetary value of said tangible asset;
- 11 determining a maximum monetary value to said licensee by multiplying said percent
12 increase by said monetary value of said tangible asset;
- 13 calculating a net monetary value by subtracting a minimum monetary value to said
14 licensor from a maximum monetary value to said licensee;
- 15 determining an equal return payment that provides an equal return on investment to the
16 licensor and licensee;
- 17 calculating said monetary value to the licensor as equal to said equal return payment; and
- 18 calculating said monetary value to the licensee by subtracting said equal return payment
19 from said net value.

- 1 21. A method of determining the monetary value of a new intangible asset, comprising:
- 2 identifying at least one parameter associated with said tangible asset relevant to
- 3 commercial success in the marketplace;
- 4 comparing said parameter with at least one parameter of at least one competing tangible
- 5 asset to determine said competitive advantage said tangible asset as a percent variation;
- 6 calculating a first competitive advantage for said tangible asset without said new
- 7 intangible asset as a percent variation;
- 8 calculating a second competitive advantage for said tangible asset with said new
- 9 intangible asset as a percent variation;
- 10 subtracting said first competitive advantage for said tangible asset without said new
- 11 intangible asset from said second competitive advantage for said tangible asset with said new
- 12 intangible asset;
- 13 calculating a present monetary value of an intended market for said tangible asset;
- 14 calculating an average market share in said intended market as a percent;
- 15 determining an average product present monetary value by multiplying said present
- 16 monetary value of said intended market by said average market share; and
- 17 multiplying said average product present monetary value and said change in said
- 18 competitive advantage.